



## **Joint Legislative Oversight Committee on Unemployment Insurance**

**January 28, 2020**

**Room 1228 Legislative Building**

**9:30 AM**

The Joint Legislative Oversight Committee on Unemployment Insurance (UI) met on Tuesday, January 28<sup>th</sup> at 9:30 AM. The meeting was held in Room 1228 of the Legislative Building in Raleigh. Representative Julia Howard presided. Members present were: Representative Julia Howard, Chair, Representative Harry Warren Vice- Chair, Representative Mark Brody, Representative Dana Bumgardner, Senator Andy Wells, Chair Senator Chuck Edwards, and Senator Paul Newton. Cindy Avrette, Rodney Bizzell, Madison Lahey, Phyllis Pickett, Jeremy Ray, and Greg Roney, staff. Cody Huneycutt, committee clerk.

### **I. Call to order and Welcome of Members.**

Representative Howard called the meeting to order at 9:30 AM and welcomed members, staff, and visitors in attendance. Representative Howard introduced the Sergeants-At-Arms, David Leighton, Jim Moran, Reggie, Sills, Terry Edmondson, and Hal Roach. Representative Howard offered no further opening remarks.

### **II. Brief Overview of the NC Unemployment Insurance Program and the Joint Legislative Oversight Committee on Unemployment Insurance (JLOCUI)**

Rep. Howard recognized Rodney Bizzell, Fiscal Analyst, Fiscal Research Division, NCGA to provide a brief overview of the UI Program and the JLOCUI. Following the discussion, Rep. Howard opened the floor for questions:

Rep Brody asked, with this being the first time he had been on this committee, that presenters explain the acronyms.

Rep. Bumgardner asked who the state tried to collect overpayment from. Dep. Commissioner Taylor and Rodney Bizzell, Fiscal Research, NCGA stated that over payments would have been given to a claimant who did not meet weekly or monthly eligibility requirements.

Sen. Edwards thanked the NCGA and DES for all that had been helping out the business community.

Rep. Howard commented that 50% of claims came from attached claims and the role it played in UI reform.

Rep. Brody asked what an attached claim was. Rodney stated that an attached claim is when an employer files for a UI benefits on behalf of the employees.

### **III. Update on Various UI/DES Topics**

Rep. Howard recognized Lockhart Taylor, Deputy Commissioner, Division of Employment Security, Department of Commerce to give an update and brief overview of the UI program. Following the discussion, Rep. Howard opened the floor for questions:

Sen. Newton asked if DES had a document of tax rates and UI statistics that could be shared with the UI Committee. Dep. Commissioner Taylor said he would get a document to the UI Committee before the next meeting.

Sen. Newton asked if there was outside consulting helping DES continue to succeed. Dep. Commissioner Taylor mentioned that there was outside consulting and that DES was open to anyone that could assist DES preform at a high level.

Sen. Edwards asked if anything needed to be on the UI Committee's radar. Dep. Commissioner Taylor responded by saying he would get a list of requests on paper and consult with the chairs of the Committee. Rep. Howard commented that changes would be discussed at upcoming meetings.

Sen. Wells commented on the importance of keeping the UI trust fund and future deposits safe from other outside entities withdrawing money or utilizing access to the funds.

Rep. Howard thanked Sen. Wells for his comment and mentioned that the money in the trust fund was locked up safely.

Dep. Commissioner Taylor mentioned that the trust fund could be used solely for UI benefit payments.

Rep. Brody asked if the disaster UI payments were reimbursed by the federal government. Dep. Commissioner Taylor acknowledged that it was paid back to the state by the federal government.

Rep. Brody commented that he agreed with keeping an eye on the UI trust fund and future payment into the trust fund.

Rep. Bumgardner commented that the state had grown by one million people since our last recession and that we would need more money in the trust fund to provide UI benefits in a future recession.

Rep. Warren asked if Dep. Commissioner Taylor could provide a document of his presentation.

Dep. Commissioner Taylor confirmed that he would produce a document for the committee to review.

Sen. Edwards commented it was important to realize how important the UI trust fund was.

Greg Roney, Legislative Analysis commented on how the money that had been taxed for UI purposes had to be used for UI benefits.

Rep. Howard comment that taxed funds were safe but that changing of future funds would require legislation.

Rep. Warren reiterated that the state had grown by one million people since our last recession and commented that we would need more money than we currently to support an 11% unemployment rate like North Carolina had in 2009, due to a larger workforce.

Rep. Howard asked if Dep. Commissioner Taylor could provide the UI committee with the DES's budget since funding had been recently reduced. Dep. Commissioner Taylor agreed that he would provide the committee with DES's budget.

#### **IV. Adjournment**

There being no further business, the meeting adjourned at 10:58 AM. The next meeting will be held on Tuesday, February 25, 2020 at 9:30 AM in 1228 of the Legislative Building

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Representative Julia Howard  
Presiding

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Cody Huneycutt  
Committee Clerk